duty an amount (determined under paragraph (3)) not to exceed 50 cents.

"(2) Amounts deducted under paragraph (1) shall be—

"(A) deposited in the Soldiers' Home, permanent fund, in the case of deductions from the pay of enlisted members and warrant officers in the Army and Air Force; and

"(B) credited to the funds available for the operation of the Naval Home, in the case of deductions from the pay of enlisted members and warrant officers in the Navy, Marine Corps, or Coast Guard (when it is operating as a service in the Navy).

"(3) The Secretary of Defense, after consultation with the Governor of the Naval Home and the board of commissioners for the United States Soldiers' and Airmen's Home, shall determine from time to time the amount to be deducted under paragraph (1) from the pay of enlisted members and warrant officers on the basis of the financial needs of the homes. The amount to be deducted may be fixed at different amounts on the basis of grade or length of service, or both.

"(4) In this subsection, the term 'armed forces' does not include the Coast Guard when it is not operating as a service in the Navy.

"(5) This subsection does not apply to an enlisted member or warrant officer of a reserve component.".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), subsection (i) of section 1007 of title 37, United States Code, as added by subsection (a), shall take effect on the first day of the first month beginning after the date of the enactment of this Act. 37 use 1007 note.

(2) With respect to deductions from the pay of an enlisted member or warrant officer in the Navy, Marine Corps, or Coast Guard (when it is operating as a service in the Navy), such subsection shall take effect on October 1, 1990.

SEC. 344. INSPECTION OF ARMED FORCES RETIREMENT HOMES BY INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

During fiscal year 1990, the Inspector General of the Department of Defense shall—

(1) conduct an inspection of each Armed Forces Retirement Home, including the records of that retirement home; and

(2) submit to the administering authority of that retirement home, the Secretary of Defense, and the Committees on Armed Services of the Senate and House of Representatives a report— Reports.

(3) describing the results of the inspection; and
(4) containing such recommendations as the Inspector General considers appropriate, including any recommendation for future inspections of the retirement homes by the Inspector General.

SEC. 345. REPORT REGARDING IMPROVING THE OPERATION AND MANAGEMENT OF THE ARMED FORCES RETIREMENT HOMES

(5) REPORT REQUIREMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report with regard to improving the operation and management of the Armed Forces Retirement Homes.

(6) CONTENT OF THE REPORT.—The report required by subsection (a) shall—

(1) address the feasibility of consolidating the administration and management of the retirement homes;